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POLAND

The Central Committee plenum last weekend provided no indication that the regime has formulated any concrete plans for reshaping economic policy. Party chief Kania and other speakers concentrated on blaming the Bierek regime for Poland's present economic plight, endorsing some recent general statements of economic priorities, and warning of hard times ahead for consumers.

Criticism of Gierek's economic policy was directed primarily at Poland's heavy imports of Western capital goods--which were held to have contributed significantly to Poland's present foreign debt burden without having successfully built up Poland's productive capacity--and insufficient investment in agriculture.

Comments on future economic measures were limited to preliminary enunciated generalizations designed to placate consumers and indicate the regime's intentions to satisfy the Gdansk-Szczecin accords. Speakers promised support for increased investment in agriculture, encouragement of private farming, and cutbacks in long-term industrial investment to free resources for consumption. In addition, the Central Committee pledged to renew efforts to implement planned housing construction and to adjust wages to the cost of living.

There were no promises of any quick improvements for the Polish consumer. Instead, Kania warned of shortages of meat and coal this winter; he noted that a meat rationing plan is under consideration.

Officials at the meeting claimed industrial production fell 7 percent in September from a year earlier. It had been previously announced that industrial production fell about 10 percent in August.

Independent estimates of Polish industrial production during July--the first month of strike activity--show that the stoppages and slowdowns had a minimal impact on industrial output. Total industrial production increased about 4 percent over last year--about the same

Approved for Release
Date AUG 1999

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as in May and June. As expected, production did decline between 5 and 10 percent in the automotive, television, radio, and textile industries, where strikes took place.
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Meanwhile, Warsaw is having difficulty lining up financing to meet its heavy borrowing requirement. Polish officials have indicated their desire to receive an extensive aid package from the US, including a \$3 billion financial credit for the purchase of raw materials and consumer goods and the rescheduling of existing Commodity Credit Corporation and PL-480 credits.

In addition, the officials requested the lengthening of Commodity Credit Corporation or Export-Import Bank repayment periods and increased fishing allocations in the Bering Sea. The Poles were informed that there were numerous obstacles to receiving even a portion of the package they requested.

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Union Demands

Leaders of the trade union "Solidarity" apparently intend to maintain pressure on the regime to fulfill all provisions of the agreements signed in late August. Union representatives, who met in Gdansk on Monday, denied party leader Kania's version of the events leading up to the one-hour strike on Friday and demanded that they be given

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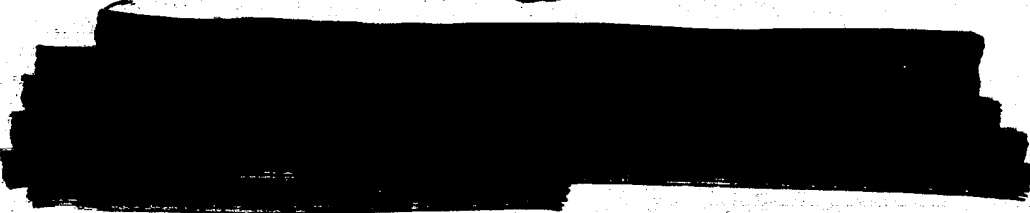
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access to television to explain their views. They also demanded regular access to the broadcast media and permission to publish their own newspaper, books, and pamphlets. Although the regime is unlikely to grant access to television and radio, it did agree in August that the new trade unions can have their own publications.

The union leaders also characterized the Warsaw court's objections to the "Solidarity" organization registering as a national union as "political rather than legal." The issue of whether "Solidarity" can be a national union might provide the next test of wills between the regime and the unions.



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